

**THE FLOOD AID FAIR
IN POLAND—A METHOD TO
PROMOTE INFORMATION
EXCHANGE**

Prepared for

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THE FLOOD AID FAIR IN POLAND—A METHOD TO PROMOTE INFORMATION EXCHANGE

Background

The flood that affected Poland in July 1997 was called the “Flood of the Millennium.” The scale of this natural disaster was enormous and unusual for this part of the world. About 10 percent of total land in Poland was flooded. The main areas where flooding took place were along the Odra and upper Vistula rivers with about 25 percent of all land (330,000 hectares) in seven voivods (counties) covered by water at some point during the flood. In about 30 municipalities, more than 162,000 people were evacuated during the worst period of the flood.

The extent of the damage caused by the flood was commensurately large. The flood affected about 46,000 houses, which equals the number of housing units built during last year in Poland. The flood also caused extensive infrastructure damage; 3,100 kilometers of road were affected; 180,000 telephone connections were made inoperable; 245 bridges were destroyed; and, 56 water treatment plants become inoperable.

The extent of financial loss caused by the flood is difficult to determine, but a recent government estimate (March 1998) places losses at about PLN 12 million (\$2.4 billion). The greatest share of damage was born by property that belonged to the Government of Poland (GOP), followed by the agriculture sector and municipal-owned property. Some municipalities spent their entire discretionary funds during the immediate aftermath of the flood. For example, Krapkowice (a medium size municipality of 54,000 inhabitants) spent about PLN 1.72 million (\$0.5 million) immediately after the flood, representing about 30 percent of its yearly municipal budget. Municipal officials in Krapkowice estimated that the total extent of damage caused by the flood was about PLN 41 million (or \$12 million).

Organized Response

The first response to the flood was humanitarian in nature. Voivods and municipalities not affected by the flood donated immediate financial assistance or gifts in-kind to the victims of the flood. In addition, non government organizations (NOGS) like the Catholic church mounted a massive collection campaign to distribute funds and gifts to flood-affected areas. Soon after the flood, foreign governments donated goods, equipment, and limited financial assistance to the victims of the flood. International relief agencies such as the Red Cross also contributed goods and vaccines.

Due to the unprecedented scope of the flood, the response (both financial and organizational) by central and local governments exposed weaknesses in the efficient and equitable distribution of aid. Because Poland lacks a natural disaster coordination body,

the initial response by the government was organized through the Ministry of Industry and Economy and Ministry of Labor and Social Affairs. A few weeks after the flood, the Ministry of Flood was created to take over responsibility for coordinating assistance to the flood area.

Along with the creation of this new ministry, the government designed and implemented "The National Reconstruction and Modernization Program." This program represents the government's strategic approach to reconstruction of flood-damaged structures and resources. The program was implemented to address short-, medium- and long-term reconstruction needs of municipalities, homeowners, and small and medium enterprises (SME). The first phase consisted of measures to address the immediate aftermath of the flood, including repair of breached dikes. The second phase involved a plan to assist with the reconstruction of damaged agriculture, housing, and infrastructure. The third and final phase included long-term flood response measures such as water retention facilities and early warning systems.

Various government bodies participated in the "The National Reconstruction and Modernization Program." The National Fund for Protection of the Environment earmarked PLN 150 million for flood mitigation and infrastructure repair. The National Housing Fund designated about PLN 153 million in preferential loans for municipalities and homeowners whose housing was damaged, along with a program to construct 1,000 new homes. In addition, the Agencies for Development of Industry, Agriculture, Restructuring and Modernization of Agriculture contributed toward the flood relief effort by offering financial assistance, mainly in the form of preferential loans.

A few months after the flood, donors developed longer-term relief programs to address outstanding needs among the victims of the flood. One of the first programs was created by the European Union through its PHARE program, which contributed about ECU 63 million toward flood reconstruction, mainly for small and medium enterprise (SME) development. In response to a government request for assistance, the World Bank created its Emergency Flood Relief Project, which was designed to address reconstruction of municipal infrastructure and long-term flood mitigation. During January 1998, the bank lent \$200 million to the Government of Poland. These funds were supplemented by other donor and GOP funds so that project funds totaled \$498 million.

The Gmina Assistance and Reconstruction Program

The initial response by the United States government came in the form of short-term assistance, with President Clinton donating \$100,000 to the Polish Red Cross. Other short-term assistance came in the form of facilitating the delivery of vaccines to the flood-affected area. This short-term relief was followed by various programs to address medium- and long-term reconstruction needs, including financial support to Polish NGOs and the

creation of the Gmina Assistance and Reconstruction Program (GARP).

To help municipal (gmina) staff and their communities address problems in housing and infrastructure repair and reconstruction, the United States Agency for International Development (USAID), working with gmina staff, NGOs, National Municipal Associations, contractors, and other organizations, developed GARP to work with selected gminas in the flood areas and promote the exchange of information between donors and the victims of the flood. GARP has three major components: 1) technical assistance, 2) finance, and 3) information facilitation.

Technical assistance under GARP was offered to municipalities in the following areas: 1) housing sector; 2) municipal infrastructure management; 3) land use planning; and 4) municipal finance. This assistance focused on addressing the short- to medium-term needs of gminas and was designed to help local governments assess damage, estimate costs, and make effective use of resources available to them for housing and infrastructure rehabilitation and construction programs. To a limited extent, GARP also offered assistance to SMEs, as their employment and revenue generation is key to gmina reconstruction.

Under the finance component, GARP provided staff to the Project Coordination Unit (PCU) of the World Bank/GOP Emergency Flood Recovery Project. The PCU consists of eight specialists working to implement the project's goals of funneling about \$268 million to 140 flood-affected municipalities to meet their outstanding infrastructure finance needs (total of 660 projects). Under this component of the project, staff at the PCU concentrate on project identification, assessment, and procurement procedures. Though the staff at the PCU are funded by USAID through GARP, they are directly responsible to the government's Ministry of Flood and overseen by the World Bank.

The Flood Aid Fair—A Method to Promote Information Exchange

Flood related reconstruction in Poland has proceeded at a slow pace. Though there has been assistance directed at the flood-affected region of Poland, needs for flood reconstruction still persists eight months after the natural disaster. Government at the local and central levels were not prepared to organize and coordinate assistance after the event occurred. In addition, the capital markets in Poland are not developed to the extent they are in West Europe therefore financing reconstruction is thwarted. Also, communication infrastructure is not as advanced as in West Europe. Victims of the flood have not had good access to information regarding sources of aid whether they are donor, government, or commercial. This has resulted in the inefficient and unequitable distribution of aid.

The facilitating information component of GARP uses a comprehensive approach to promote information exchange. The major goal of this component is to facilitate the exchange of information between those that have something to offer toward flood reconstruction and the victims of the flood (municipalities, SMEs, and homeowners). The

methods to promote information exchange are diverse, including seminars and a model “Flood Aid Information System.” But the single most unique approach under this component is the “Flood Aid Fair.”

The Flood Aid Fair was modeled after commercial trade fairs but with an orientation toward reconstruction needs in the flood-affected area. The goal of the fair was to create an event where an intensive exchange of information can take place between donors (bi and multilateral, humanitarian, financial, and commercial) and the victims of the flood. Foremost, the Flood Aid Fair was designed to promote the market response to demand for goods and services created by the flood. In all, 400 exhibitors ranging from humanitarian organizations, bi and multilateral donors, NOGS, and commercial firms were invited to the fair. The fair was free to exhibitors as well as participants.

The initial Flood Aid Fair was organized in collaboration with the municipality of Raciborz—one of the worst affected municipalities in the flood-affected area. GARP also solicited the organization help of NOGS, including Tratwa (flood information center), Cooperation Fund (group within EU Phare that promotes municipal development), SME Foundation (NGO responsible for administering the EU Phare flood reconstruction funds for SEES), Foundation for Social and Economic Initiatives (municipal development NGO), Klon/Jawar Databank (Soros-funded group to collect information on flood needs), and the Polish Association of Homebuilders. In addition, the Government of Poland through its Ministry of Flood lent its patronage to the fair. Through GARP and its NGO organization partners, the Flood Aid Fair was organized at relatively little expense compared to standard trade fairs but served the purpose of a model information exchange point to address outstanding flood need.

Three major groups contributed to the Flood Aid Fair: 1) USAID-sponsored GARP with its associated organization partners; 2) the municipality of Raciborz; which contributed not only organization assistance (security, parking facilities, communication, liability insurance, and first aid) but also the venue for the fair; and 3) the media. About thirty-five national, regional, and local media organizations promoted the Flood Aid Fair before and after the event took place. In all, hundreds of free radio, television broadcasts were aired before the event, including television appearances on national television stations. In addition, national and local newspapers heavily advertised the Flood Aid Fair through publication of articles that described the purpose of this unique one-time event in Poland. One major press conference was held in Warsaw to announce the event and promote the Flood Aid Fair as a tool for information exchange.

The Flood Aid Fair was organized to address different dimensions of outstanding flood-related need. These included posting a Flood Aid Needs Board that solicited information regarding outstanding needs (categorized in eight functional areas, such as housing, social and psychological, etc.) from fair participants. Another dimension included

presentations by Polish consulting firms that offer services to meet municipal and homeowner reconstruction needs, including land-use planning, housing development, municipal finance, etc. Yet another dimension included the administration of a survey to both exhibitors as well as participants. This survey was designed to elicit information regarding access to sources of assistance, availability of assistance, and, in part, to also measure the extent of information exchange that took place at the Flood Aid Fair.

The Flood Aid Fair exhibitor list was diverse in response to the needs of the victims of the flood. In total, there was room for 146 exhibitors in the 1,000 square meters of venue space (a converted school building) provided by the municipality of Raciborz. The floor area of the Fair was organized along the following sectors: flood aid organizations (17), government institutions (6), municipal associations (7), consulting firms (5), building material firms (36), new technology firms (58), financial institutions (8), and others (14). Many exhibitors had never before participated in a fair and were new to this type of information exchange medium. In addition to exhibitors, local food vendors provided on-premises catering of refreshments at discounted prices. Each participant was given a badge upon entering the Flood Aid Fair with a depiction of the Polish and US flags noting the place and time of the event.

Summary

While the fair lasted only eight hours, much information was exchanged between fair exhibitors and participants. More than 4,000 individuals representing NOGS, municipalities, regional development agencies, commercial firms, governments, and homeowners attended the fair. Based on survey results, general consensus by participants and exhibitors was that the Flood Aid Fair was a success.

- The Flood Aid Fair met its goal of “facilitating information” exchange among the victims of the flood (gmina, SEES, and homeowners) and those that have something to contribute toward reconstruction. This exchange resulted in additional (unmeasurable) resources available for the victims of the flood in terms of product discounts, access to new technologies, donor program assistance, information about finance, credit availability, etc.
- Information collected at the Flood Aid Fair exposed gaps in available resources to meet existing needs among the victims of the flood. The Flood Aid Needs Board revealed the extent of outstanding needs among the victims of the flood and helped to direct resources where they are most needed.

- The Flood Aid Fair helped to build capacity among indigenous organizations and was positively viewed by GARP's organizing partners, especially the city of Raciborz who benefited from the Flood Aid Fair through media attention. In addition, municipalities benefited from information exchange that will facilitate an equitable distribution of resources for reconstruction.
- The collaboration of a foreign government-sponsored program, a municipality, and select Polish NOGS was unique and contributed to the success of the Flood Aid Fair. The Flood Aid Fair can serve as a model of information exchange for other governments/NOGS to use after a natural disaster has occurred.
- The Flood Aid Fair helped to strengthen relationships among NOGS, municipal institutions, the Government of Poland, and other donor organizations involved in the flood relief effort. Following the Flood Aid Fair, GARP received numerous requests for collaboration and involvement in other flood relief activities.
- Unlike other flood relief efforts, the Flood Aid Fair was able to help gauge and promote the "market response" to existing needs. Bi and multilateral donors have limited resources available for the flood relief effort; private enterprise—the market—will have to fill the remaining gap to address outstanding flood-related needs. Many firms offered discounts and promotions at the fair. Some examples included:
 - Product discounts of five to 20 percent
 - Free transportation of goods
 - Free or discounted dehydration technology
 - 50 percent discount on the installation of equipment
 - Donation of PLN 20,000 worth of construction materials to a flood-affected municipality
 - Employment opportunities at a firm for residents of a flood-affected municipality
 - Free training on how to install a product
 - Donation of PLN 10,000 worth of new innovative technology to a flood-affected municipality, and so on
- Lastly, the Flood Aid Fair raised the visibility of outstanding needs still present in the flood-affected region six months after the flood.

After the Fair, GARP was overwhelmed with requests to organize another Flood Aid Fair. Over the course of organizing the fair, the number of potential exhibitors exceeded

the space available at the venue. Though the fair took place months after the flood had occurred, 82 percent of all surveyed exhibitors requested that another Flood Aid Fair be held in the future, while 92 percent of all participants expressed a desire to attend a similar event in the future.

Indeed, during March (1998) the municipality of Opole (another flood-affected municipality), teamed up the Opole Gmina Association (which represents about 50 municipalities), GARP, NGOs, media partners, and the Ministry of Flood to organize another flood aid fair (Flood Aid Fair II) scheduled to be held in June in Opole. Similar to the fair held in Raciborz, Flood Aid Fair II will rely on four resources for organization and promotion: 1) NGOs, 2) municipalities, 3) media, 4) central government (Minister of Flood).

This event is envisioned to be grander in scale than the fair held in Raciborz; scheduled for a three day period instead of one day, using consulting stations for the victims of the flood, and premiering an on-premises flood information system linked to databases on available resources as well as an extensive on-premises seminar series on dehydration techniques, homeowner weatherization programs, model investment program for municipalities, examples of flood relief efforts in the United States, and model relief efforts organized by other donors.